

## Major Milestones of Financial Inclusion in India – An Analytical Study

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### ABSTRACT

Financial inclusion denotes delivery of financial services at an affordable cost to the vast section of the disadvantaged and low income groups. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes. Through graduated credit, the attempt must be to lift the poor from one level to another so that they come out of poverty. Self-Help Group (SHG) Bank Linkage Programme has during last two decades covered more than 10.01 crore Indian poor households, making it the largest community based microfinance programme in the world. It is an instrument for financial inclusion and inclusive growth. Under Pradhan Mantri Jan Dhan Yojana (PMJDY), 23.62 Crore accounts opened, in that majority accounts i.e. 14.49 Crore opened in rural areas and 9.13 Crore opened in the urban areas. The present study depends on secondary data. In this study gives a clear picture about the major milestones of financial inclusion in India and also analyze the progress of SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) towards financial inclusion in India. It found that the two milestones are very progressive especially PMJDY results showed that majority of the accounts opened in the rural areas and it helps to improve greater financial inclusion in India. This can be lead to the inclusive growth for the Indian economy.

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## INTRODUCTION

In India, the focus of the financial inclusion at present is confined to ensuring a bare minimum access to a saving bank account without frills to all. In order to ensure financial inclusion various initiatives were taken up by Reserve Bank of India (RBI)/Government of India (GOI) like Nationalization of Banks, Expansion of Banks Branch Network, Establishment and Expansion of Cooperative and RRBs, Introduction of Priority Sector lending, Lead Bank Scheme, Formation of SHGs and State specific approach for Govt. sponsored schemes to be evolved by SLBC etc. The two important steps towards financial inclusion are SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY).

SHG–Bank Linkage Programme launched by NABARD way back in 1992 envisaging synthesis of formal financial system and informal sector has become a movement throughout the country. Self Help Groups (SHGs) have become the common vehicle of development process to converge all development programmes. It is considered as the largest microfinance programme in terms of outreach in the world and many other countries are keen to replicate this model. At present, a large number of Self-Help Group Promoting Institutions (SHPIs), all the banking agencies and MFIs are pursuing this programme for the upliftment of the poor. This is also recognized as a part of priority sector lending and normal banking business by Reserve Bank of India. Thus, it is synonymous with microfinance programme of the country. This programme is also the main contributor towards the financial inclusion process in the country.

Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced by Honorable Prime Minister in his Independence Day address on 15th August, 2014. This is a National Mission on Financial Inclusion encompassing an integrated approach towards to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household to learn financial literacy, access to credit, insurance and pension facility.

### 1.1 Definition of Financial Inclusion

A Committee on financial inclusion (2008) headed by Dr. C. Rangarajan defined financial inclusion as, “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost”.

CRISIL defines financial inclusion (2013) as, “The extent of access by all sections of society to formal financial services, such as credit, deposit, insurance and pension services”.

### 1.2 Background of Financial Inclusion

The efforts to include the financially excluded segments of the society in the formal financial system in India are not new. The concept was first introduced by the RBI in 2005 and branchless banking through banking agents called Bank Mitra (Business Correspondent) was started in the year 2006. In the year 2011, the Government of India gave a serious push to the program by undertaking the “Swabhimaan” campaign to cover over 74,000 villages, with a population more than 2,000 (as per 2001 census), with banking facilities.

### **1.3 Microfinance on the Indian Subcontinent**

Loans to poor people by Banks have many limitations including lack of security and high operating costs. As a result, microfinance has developed as an alternative to provide loans to poor people with the goal creating financial inclusion and equality.

Microfinance is defined as, financial services such as saving accounts, insurance funds and credit provided to poor and low income clients so as to help them to increase their income, thereby improving their standard of living.

### **1.4 Models of Micro Finance**

Microfinance services are provided mainly by two models involving credit linkage with Banks.

### **1.5 SHG Bank Linkage Programme (SBLP) Model**

A Self Help Group (SHG) is a small group of 10 to 20 persons of rural poor who come together to mutually contribute to common fund for meeting their emergency needs. SHG - Bank Linkage Programme was introduced by NABARD in 1992. This Model involves the SHGs financed directly by the banking agencies viz., Commercial Banks (Public Sector and Private Sector), Regional Rural Banks (RRBs) and Cooperative Banks.

### **1.6 MFI Bank Linkage Model**

Under this model, Micro Finance Institutions (MFIs) avail bulk loans from Banks for on-lending to SHGs and other small borrowers covered under microfinance sector.

### **1.7 Pradhan Mantri Jan Dhan Yojana (PMJDY)**

Pradhan Mantri Jan Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely Banking/Savings & Deposit Accounts, Remittance, Credit, Insurance and Pension Services to the excluded sections i.e. weaker sections and low income groups. The deep penetration at affordable cost is possible only with effective use of technology. Account can be opened in any Bank Branch (or) Business Correspondent (Bank Mitra) Outlet. Special benefits under PMJDY Scheme are,

- Interest on Deposit
- No minimum balance required
- Easy transfer of money across India
- Access to Pension and Insurance Products
- Accidental Insurance Cover of Rs.1 Lakh
- Beneficiaries of Government Schemes will get Direct Benefit Transfer (DBT) in these accounts.
- The scheme provides life cover of Rs. 30,000/- payable on the death of the beneficiary, subject to fulfillment of the eligibility condition.
- After satisfactory operation of the account for 6 months, an overdraft facility up to Rs. 5000/- is available in only one account per household, preferably lady of the household.

### **1.8 Literature Review**

**Dr. Christabell. P. J. and Vimal Raj. A,** in his article (2012) entitled “Financial Inclusion in Rural India: The Role of Microfinance as a Tool” recommended that

Microfinance Institutions (MFIs) play a significant role in facilitating inclusion, as they are uniquely positioned in reaching out to the rural poor. Many of them operate in a limited geographical area, have a greater understanding of the issues specific to the rural poor. Even though, in India, the microfinance model extends credit and savings to the poor, the challenges faced by the industry has to be rectified in due course for the effective working of the model.

**S. Parkodi and Dr. D. Aravazhi**, in his article (2013) entitled “Role of Microfinance and Self Help Groups in Financial Inclusion”, states that with the increasing demand for rural finance, and the inadequacies of formal sources, the MFIs have immense opportunities in the new avatar of micro credit in India. Financial Inclusion will be real and successful only when the small and marginal farmers and landless laborers have unhindered access to the financial services like Savings, Credit, Micro Insurance and Remittance facilities.

**Dr. Mini Goyal and Ms. Maninder Khera**, in his article (2016) entitled “Pradhan Mantri Jan Dhan Yojana: A Step Towards Financial Inclusion”, mentioned that the contribution of rural sector in terms of accounts opened under PMJDY was relatively higher than the urban sector in all the banking sectors namely Public Sector Banks , Regional Rural Banks and Private Sector Banks. Among three sector banks, the Public Sector Banks and RRBs played an important and leading role in the opening accounts under PMJDY.

### **1.9 Statement of the Problem**

Financial Inclusion is a national priority of the Government as it is enabler for inclusive growth. Financial Inclusion is an important as it provides avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders. The efforts to include the financially excluded segment of the society are not new. But among the efforts and initiatives, SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) plays a major role for achieving greater financial inclusion in India.

So, the present study is undertaken to review the major milestones of financial inclusion in India and also analyze the progress of SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) towards financial inclusion in India.

### **1.10 Objectives of the Study**

The following are the objectives of the present study.

- To review the major mile stones of financial inclusion in India.
- To know the progress of SHG – Bank Linkage Programme during 2006-07 to 2015-16.
- To know the progress of Pradhan Mantri Jan Dhan Yojana (PMJDY).

## **RESEARCH METHODOLOGY**

The present study depends on secondary data. Data published by various institutions such as Government of India (GOI), National Bank for Agriculture and Rural Development (NABARD), PMJDY etc. are used for the purpose of the present paper.

## 2.1 Major Milestones of Financial Inclusion in India

The following table presents major milestones of financial inclusion in India.

**Table No. 1**  
**Major Milestones of Financial Inclusion in India**

Year	Description
1935	Establishment of RBI
1969	Nationalization of Banks
1971	Establishment of Priority Sector Lending Banks
1975	Establishment of RRB's
1980	Nationalization of Banks
1982	Establishment of NABARD
<b>1992</b>	<b>Launching of the SHG Bank Linkage Programme (SBLP)</b>
1998	NABARD sets a goal for linkage One Million SHGs by 2008
2000	Establishment of SIDBI foundation for Micro Credit
2004	Khan Commission on Financial Inclusion
2005	One Million SHG Linkage target achieved three years ahead of date
2006	Committee on Financial Inclusion headed by Dr.C.Rangarajan
	Mangalam Village of Puducherry became the First Village to achieve 100 per cent Financial Inclusion
2007	Proposed Bill on Micro Finance Regulation introduced in Parliament
2008	Rangarajan Committee Submitted its Final Report on Financial Inclusion to Union Finance Minister in January
2011	Swabhiman Campaign (RBI)
2013	Unique Identification Number (AADHAR) and Direct Benefit Transfer (DBT) Scheme
2014	<b>Pradhan Mantri Jan Dhan Yojana (PMJDY)</b> , National Mission on Financial Inclusion launched by Prime Minister on 28 <sup>th</sup> August, 2014.
2015	Approval of RBI to setup Payments Banks, MUDRA Bank

Source: Compiled by Author

The above table states that **SHG - Bank Linkage Programme (SBLP)** and **Pradhan Mantri Jan Dhan Yojana (PMJDY)** are the major milestones of financial inclusion in India and it plays a major role in financial inclusion in India.

## 2.2 Overall Progress under SHG-Bank Linkage Programme during last Ten years

### 2.2.1 Savings Accounts of SHGs with Banks during 2006-07 to 2015-16

The following table presents Saving Accounts of SHGs with banks during 2006-07 to 2015-16.

**Table No. 2**  
**Savings Accounts of SHGs with Banks during 2006-07 to 2015-16**

As on 31 <sup>st</sup> March	No.of SHGs (Lakhs)		Amount (Crore)	
	Total SHGs	Out of which under NRLM/SGSY	Total SHGs	Out of which under NRLM/SGSY
2006-07	41.60	9.56	3512.71	757.50
2007-08	50.09 (20.4)	12.03 (25.8)	3785.39 (7.8)	809.51 (6.9)
2008-09	61.21 (22.2)	15.05 (25.1)	5545.62 (46.5)	1563.38 (93.1)
2009-10	69.53 (13.6)	16.93 (12.5)	6198.71 (11.8)	1292.62 (17.3)
2010-11	74.62 (7.3)	20.23 (19.4)	7016.30 (13.2)	1817.12 (40.6)
2011-12	79.60 (6.7)	21.23 (5.0)	6551.41 (-6.7)	1395.25 (-23.2)
2012-13	73.18 (-8.1)	20.47 (-3.6)	8217.25 (25.4)	1821.65 (30.6)
2013-14	74.30 (1.53)	22.62 (10.46)	9897.42 (20.45)	2477.58 (36.01)
2014-15	76.97 (3.59)	30.52 (34.92)	11059.84 (11.74)	4424.03 (78.56)
2015-16	79.03 (2.68)	34.57 (13.27)	13691.39 (23.79)	6244.97 (41.16)

Source: [www.nabard.org](http://www.nabard.org)

(Figures in brackets indicates growth/decline in per cent over the previous year)

The above table states that Saving Accounts of SHGs are 41.60 Lakhs as on 31<sup>st</sup> March, 2007 increased to 79.03 Lakhs as on 31<sup>st</sup> March, 2016 and Amount of Saving Accounts of SHGs are 3512.71 Crore on 31<sup>st</sup> March, 2007 increased to 13691.39 Crore as on 31<sup>st</sup> March, 2016. Similarly under SGSY also increased in terms of SHGs and Amount.

### 2.2.2 Bank Loans Disbursed to SHGs during 2006-07 to 2015-16

The following table presents Bank Loans Disbursed to SHGs during 2006-07 to 2015-16.

**Table No. 3**  
**Bank Loans Disbursed to SHGs during 2006-07 to 2015-16**

During the Year	No.of SHGs (in Lakhs)		Amount (in Crore)	
	Total SHGs	Out of which under NRLM/SGSY	Total SHGs	Out of which under NRLM/SGSY
2006-07	11.05	1.88	6570.39	1411.02



2007-08	12.27 (11.0)	2.46 (30.5)	8849.26 (34.7)	1857.74 (31.7)
2008-09	16.09 (31.1)	2.64 (7.3)	12253.51 (38.5)	2015.22 (8.5)
2009-10	15.86 (-1.4)	2.67 (1.0)	14453.30 (17.9)	2198.00 (9.1)
2010-11	11.96 (-24.6)	2.41 (-9.9)	14547.73 (0.01)	2480.37 (12.8)
2011-12	11.48 (-4)	2.10 (-12.9)	16534.77 (13.7)	2643.56 (6.6)
2012-13	12.20 (6.3)	1.81 (-13.8)	20585.36 (24.5)	2207.47 (-16.5)
2013-14	13.66 (12.02)	2.26 (24.56)	24017.36 (16.67)	3480.60 (57.67)
2014-15	16.26 (19.03)	6.43 (184.5)	27582.31 (14.84)	9487.69 (172.58)
2015-16	18.32 (12.67)	8.16 (26.91)	37286.90 (35.18)	16785.78 (76.92)

Source: [www.nabard.org](http://www.nabard.org)

(Figures in brackets indicates growth/decline in per cent over the previous year)

The above table states that Bank Loans Disbursed to SHGs in terms of No. of SHGs is 11.05 Lakhs during 2006-07 increased to 18.32 Lakhs during 2015-16 and in terms of Amount 6570.39 Crore during 2006-07 increased to 37286.91 Crore during 2015-16. Similarly under SGSY also increased in terms of SHGs and Amount during 2010-11 to 2015-16.

### 2.2.3 Bank Loans Outstanding against SHGs during 2006-07 to 2015-16

The following table presents Bank Loans Outstanding against SHGs during 2006-07 to 2015-16.

**Table No. 4**  
**Bank Loans Outstanding against SHGs during 2006-07 to 2015-16**

As on 31 <sup>st</sup> March	No. of SHGs (Lakhs)		Amount (Crore)	
	Total SHGs	Out of which under NRLM/SGSY	Total SHGs	Out of which under NRLM/SGSY
2006-07	28.94	6.87	12366.49	3273.03
2007-08	36.25 (25.3)	9.16 (33.4)	16999.91 (37.5)	4816.87 (47.2)
2008-09	42.24 (16.5)	9.76 (6.5)	22679.84 (33.4)	5861.72 (21.7)
2009-10	48.51 (14.8)	12.45 (27.5)	28038.28 (23.6)	6251.08 (6.6)

2010-11	47.87 (-1.3)	12.86 (3.4)	31221.17 (11.4)	7829.39 (25.2)
2011-12	43.54 (-9.0)	12.16 (-5.4)	36340.00 (16.4)	8054.83 (2.9)
2012-13	44.51 (2.2)	11.93 (-1.9)	39375.30 (8.4)	8597.09 (6.7)
2013-14	41.97 (-5.71)	13.07 (9.55)	42927.52 (9.02)	10177.42 (18.38)
2014-15	44.68 (6.46)	18.46 (41.24)	51545.46 (20.06)	19752.74 (94.08)
2015-16	46.73 (4.59)	21.91 (18.69)	57119.23 (10.81)	26610.16 (34.72)

Source: [www.nabard.org](http://www.nabard.org)

(Figures in brackets indicate growth/decline in per cent over the previous year)

The above table states that Bank Loans outstanding against SHGs in terms of No. of SHGs is 28.94 Lakhs as on 31<sup>st</sup> March, 2007 increased to 46.73 as on 31<sup>st</sup> March, 2016 and in terms of Amount 12366.49 Crore as on 31<sup>st</sup> March, 2007 increased to 57119.23 Crore as on 31<sup>st</sup> March, 2016. Similarly under SGSY also increased in terms of SHGs and Amount during 2010-11 to 2015-16.

### 2.3 Progress Report of Pradhan Mantri Jan Dhan Yojana (PMJDY)

The following table presents Progress of Pradhan Mantri Jan Dhan Yojana (PMJDY) as on 10<sup>th</sup> August, 2016.

**Table No.5**

**Progress Report of Pradhan Mantri Jan Dhan Yojana (PMJDY)**  
(Accounts Opened as on 10.08.2016) (All Figures in Crores)

Banks	Rural	Urban	Total	No. of Rupay Cards	AADHAAR Seeded	Balance in Accounts	% of Zero-Balance Accounts
<b>Public</b>	10.45	8.22	18.68	15.18	9.79	33060.53	24.47
<b>RRB</b>	3.52	0.58	4.09	2.85	1.61	7139.17	21.05
<b>Private</b>	0.52	0.33	0.84	0.78	0.35	1523.60	36.47
<b>Total</b>	14.49	9.13	<b>23.62</b>	18.81	11.75	<b>41723.30</b>	24.31

Source: [www.pmjdy.gov.in](http://www.pmjdy.gov.in)

The above table states that Progress of Pradhan Mantri Jan Dhan Yojana (PMJDY) plays a major milestone towards financial inclusion. It can be observed that out of the three sector banks, Public Sector Banks opened majority of accounts i.e. 10.45 Crore in the rural areas and 8.22 Crore in the Urban areas followed by the Regional Rural Banks (RRBs) also opened 3.52 Crore in rural and 0.58 Crore in urban areas. But when compared with Public Sector and Regional Rural Banks, the Private Sector Banks opened accounts are very low



i.e. 0.52 Crore in rural and 0.33 Crore in urban areas. In terms of Balance in Accounts also majority share is Public Sector Banks followed by Regional Rural Banks (RRBs) and Private Sector Banks.

On comparison of Percentage of Zero Balance Accounts the RRBs (21.05) followed by Public Sector Banks (24.47). But in the Private Sector Banks have 36.47 per cent of the accounts are Zero Balance Accounts. It is high when compared with Public and RRBs.

Overall Progress under PMJDY, 23.62 Crore Accounts Opened. In that majority accounts i.e. 14.49 Crore opened in rural and 9.13 Crore opened in the urban areas. In terms of No.of Rupay Cards issued to the accounts are 18.81 Crore, AADHAAR seeded accounts are 11.75 Crore and Balance in the accounts are 41723.30 Crore and overall percentage of Zero Balance accounts are 24.31 per cent.

## 2.4 Comparison of SBLP and PMJDY towards Financial Inclusion

The following table presents Comparison of SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) towards financial inclusion.

**Table No.6**  
**Comparison of SBLP AND PMJDY**

SHG – Bank Linkage Programme (As on 31 <sup>st</sup> March, 2016)		Pradhan Mantri Jan Dhan Yojana (PMJDY) (As on 10 <sup>th</sup> August, 2016)	
Total SHGs (in Lakhs)	Amount (in Crore)	Accounts Opened (in Crore)	Balance in Accounts (in Crore)
79.03	13691.39	23.62	41723.30

Source: [www.nabard.org](http://www.nabard.org), [www.pmjdy.gov.in](http://www.pmjdy.gov.in)

The above table states that SHG – Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) are the major milestones towards financial inclusion in India. Under the SHG – Bank Linkage Programme, Total SHGs Saving Accounts are 79.03 Lakhs and Amount is 13691.39 Crore as on 31<sup>st</sup> March, 2016. But under the Pradhan Mantri Jan Dhan Yojana (PMJDY), 23.62 Crore Accounts were opened and Balance in Accounts are 41723.30 Crore as on 10<sup>th</sup> August, 2016. Hence these two major milestones help to improve greater financial inclusion in India.

## FINDINGS

From the above analysis the following findings are made.

- Out of the major mile stones of financial inclusion in India the important steps are SHG Bank Linkage Programme (SBLP) and Pradhan Mantri Jan Dhan Yojana (PMJDY) plays a vital role to improve financial inclusion in India.
- The Saving Accounts of SHGs are 41.60 Lakhs as on 31<sup>st</sup> March, 2007 increased to 79.03 Lakhs as on 31<sup>st</sup> March, 2016 and Amount of Saving Accounts of SHGs are 3512.71 Crore on 31<sup>st</sup> March, 2007 increased to 13691.39 Crore as on 31<sup>st</sup> March, 2016.
- The Bank Loans Disbursed to SHGs in terms of No.of SHGs is 11.05 Lakhs during 2006-07 increased to 18.32 Lakhs during 2015-16 and in terms of Amount 6570.39 Crore during 2006-07 increased to 37286.91 Crore during 2015-16.

- The Bank Loans outstanding against SHGs in terms of No.of SHGs is 28.94 Lakhs as on 31<sup>st</sup> March, 2007 increased to 46.73 Lakhs as on 31<sup>st</sup> March, 2016 and in terms of Amount 12366.49 Crore as on 31<sup>st</sup> March, 2007 increased to 57119.23 Crore as on 31<sup>st</sup> March, 2016.
- Under SGSY/NRLM Saving Accounts of SHGs, Bank Loans Disbursed to SHGs and Bank Loans Outstanding against SHGs are increased in terms of No.of SHGs and Amount during 2006-07 to 2015-16.
- Under PMJDY, 23.62 Crore Accounts were opened. In that majority accounts i.e. 14.49 Crore opened in rural and 9.13 Crore opened in the urban areas as on 10<sup>th</sup> Aug, 2016.
- Among the three sector banks, Public Sector Banks opened major accounts i.e., 18.68 Crore and Private Sector Banks opened accounts are very low i.e., 0.84 Crore. It means in the financial inclusion Private Sector Banks shouldn't concentrate much more when compared with Public and Regional Rural Banks.
- On comparison of Percentage of Zero Balance Accounts the RRBs (21.05) followed by Public Sector Banks (24.47). But in the Private Sector Banks have 36.47 per cent of the accounts are Zero Balance Accounts. It is high when compared with Public and RRBs.
- The results further revealed that 75.69 per cent accounts were opened in PMJDY, mobilized the deposit of Rs. 41723.30 Crore and rest 24.31 per cent accounts opened under PMJDY were opened with zero balance as on 10<sup>th</sup> August, 2016.
- On comparison of two major milestones, SHG – Bank Linkage Programme (SBLP), Pradhan Mantri Jan Dhan Yojana (PMJDY) help to improve greater financial inclusion in India.

## SUGGESTIONS

- All Self Help Group members should open individual accounts to do the formal financial transactions such as savings, deposit, credit and insurance services which lead to improve financial inclusion.
- As per Census 2011 rural population in India is 68.84 per cent. So the banks should concentrate and extending banking services to the rural people to achieve greater financial inclusion.
- Most of the rural and semi-urban people are illiterates. So the banks should conduct awareness campaigns about the products and services offer by them to increase the financial inclusion.
- The Banks also conduct awareness campaigns about advanced technological developments in banking services it is useful to the customer to adopt those services and also it leads to improve the financial literacy in the rural areas.
- Frequent awareness camps can be organized by the Rural Development Department authorities to create awareness about the different schemes of assistance available to the participants in the SHGs.
- The Banks should not concentrate on opening the accounts and also concentrate on giving loans to the individuals to meet their needs such as children's education, Establish Micro-Units etc. This helps inclusive growth for the economy.

- The Private Sector Banks also participate actively in the process of financial inclusion and it helps to achieve greater financial inclusion in India.

## CONCLUSION

Financial Inclusion is not a onetime effort, it is an ongoing process. It is a huge project which requires concerted and team efforts from all the stakeholders – the Government, Financial Institutions, the regulators, the private sector and the community at large. Among the initiatives taken by the Government/RBI in that the two major milestones SHG – Bank Linkage Programme and Pradhan Mantri Jan Dhan Yojana (PMJDY) plays a major for achieving of greater financial inclusion in India. These two steps main objective is to provide financial services to excluded segment of the society such as weaker sections and low income groups. Hence it is necessary to extend the formal financial services to un-served/underserved areas to unlock its growth potential.

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